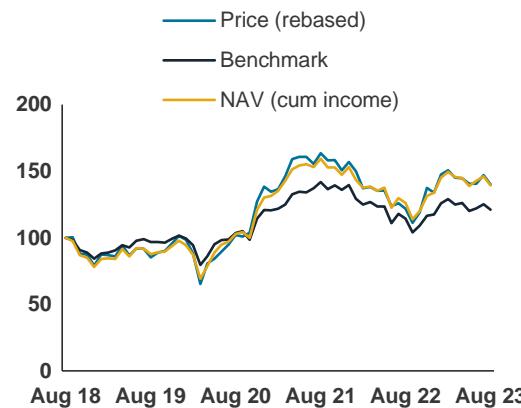
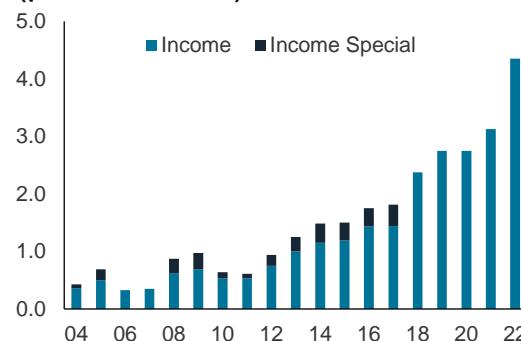


Share price performance (total return)



From July 2022, the benchmark changed from the EMIX Smaller European Companies ex UK Index to the MSCI Europe ex UK Small Cap Index.

Dividend history (pence/share)



Please note that this chart could include dividends that have been declared but not yet paid.

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested. Please refer to glossary for definition of share price total return.

Performance over (%)

	6m	1y	3y	5y	10y
Share price (Total return)	-7.0	14.9	37.2	40.1	226.6
NAV (Total return)	-6.8	10.4	35.5	39.2	226.3
Benchmark (Total return)	-6.1	5.9	17.1	21.1	146.0
Relative NAV (Total return)	-0.7	4.5	18.3	18.1	80.3

Discrete year Share price NAV performance (%) (total return) (total return)

30/6/2022 to 30/6/2023	13.6	16.4
30/6/2021 to 30/6/2022	-23.1	-21.1
30/6/2020 to 30/6/2021	79.5	63.5
30/6/2019 to 30/6/2020	-2.5	2.9
30/6/2018 to 30/6/2019	-10.4	-7.3

All performance, cumulative growth and annual growth data is sourced from Morningstar.

Source: at 31/08/23. © 2023 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance does not predict future returns.

Commentary at a glance

Performance

In the month under review the Company's NAV total return was -4.6% and the MSCI Europe ex UK Small Cap Index total return was -3.2%.

Contributors/detractors

Swiss Internet-of-Things company u-blox and Dutch bank Van Lanschot Kempen saw their share prices fall due to poor communication and overreaction from investors respectively. Conversely, pump and valve manufacturer KSB and German meal kit business HelloFresh were the top positive contributors to performance, as they benefited from increased sales and improved margins. IONOS, Verallia and IVECO also made positive contributions due to increased sales and productivity thanks to the use of artificial or augmented intelligence.

Outlook

Despite the challenges facing small-cap companies, such as liquidity issues and access to capital, we believe these issues are temporary. Thus, we are cautiously optimistic. We also think inflation may be chronic. If our prediction of an economic soft landing (rather than a recession) comes true, we believe labour markets will not see drastic changes from their current tight conditions. In this environment, we believe European small- and mid-cap stocks are well positioned for future economic growth.

See full commentary on page 3.

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Company overview

Objective

The Company seeks capital growth by investing in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK).

Highlights

Providing unique access to Europe's growing small- and medium-sized companies with the sole aim of increasing shareholder capital.

Company information

NAV (cum income)	179.9p
NAV (ex income)	175.6p
Share price	153.5p
Discount(-)/premium(+)	-14.7%
Yield	3.0%
Net gearing	13%
Net cash	-
Total assets	£812m
Net assets	£721m
Market capitalisation	£615m
Total voting rights	400,867,176
Total number of holdings	126
Ongoing charges (year end 30 Jun 2022)	0.65%
Benchmark	MSCI Europe (ex UK) Small Cap Index
Overall Morningstar Rating™	★★★★

As of 31/08/2023

Source: BNP Paribas for holdings information and Morningstar for all other data. Differences in calculation may occur due to the methodology used.

Please note that the total voting rights in the Company do not include shares held in Treasury.

How to invest

Go to www.janushenderson.com/howtoinvest

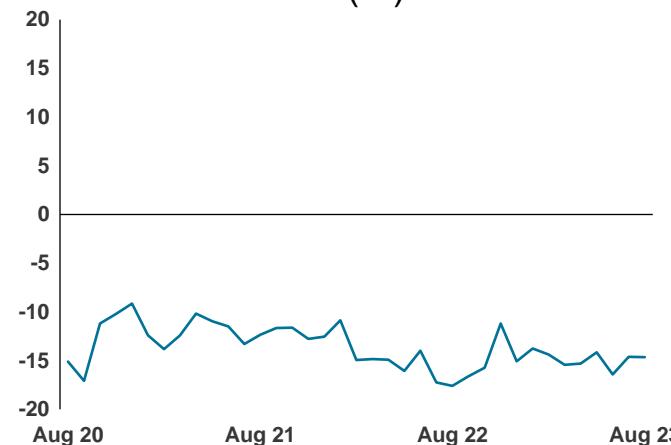
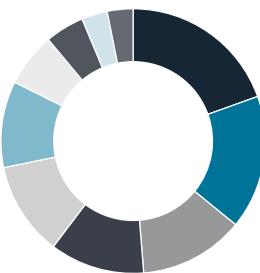
Find out more

Go to www.europeansmallercompaniestrust.com

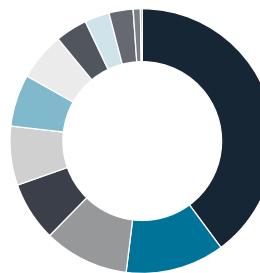
Top 10 holdings(%)

TKH Group	3.3
Van Lanschot Kempen	3.1
KSB	2.0
DFDS	2.0
BFF Bank	1.7
Mersen	1.7
SAES Getters	1.7
Mytilineos	1.6
u-blox	1.6
Gaztransport Et Technigaz	1.5

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Premium/(discount) of share price to NAV at fair value (%)Geographical focus (%)

The above geographical breakdown may not add up to 100% as this only shows the top 10.

Sector breakdown (%)

The above sector breakdown may not add up to 100% due to rounding.

Key information

Stock code	ESCT
AIC sector	AIC European Smaller Companies
Benchmark	MSCI Europe (ex UK) Small Cap Index
Company type	Conventional (Ords)
Launch date	1990
Financial year	30-Jun
Dividend payment	April, November
Risk rating (Source: Numis)	Above average
Management fee	0.55% pa on first £800m of net assets and 0.45% pa in excess thereof.
Performance fee	Yes
(See Annual Report & Key Information Document for more information)	
Regional focus	Europe
Fund manager appointment	Ollie Beckett 2011



Ollie Beckett
Fund Manager

10 year total return of £1,000

All performance, cumulative growth and annual growth data is sourced from Morningstar. Share price total return is calculated using mid-market share price with dividends reinvested.

Fund Manager commentary

Investment environment

Despite equities generally regaining some ground in the final days of the month, the MSCI Europe (ex UK) Small Cap Index fell almost 3%. The disappointing month was chiefly driven by persisting concerns surrounding company destocking, a slowing economy and overly-tight monetary policy. This negative sentiment caused equities to underperform, with small-cap stocks underperforming large caps. In many instances it seemed like there were significant overreactions to individual company news in smaller company stocks, which increased trading volumes. Despite these issues, we still believe that a soft landing for the economy (rather than a recession) is still the most likely outcome. We remain focused on identifying companies throughout the corporate life cycle that demonstrate a track record of good cash flow and strong balance sheets.

Portfolio review

u-blox was the Company's top negative detractor over the month. The Swiss Internet-of-Things company issued a profit warning as a result of destocking at its customers, and consequently revised its earnings guidance downwards in August. The company also conceded that it can (and will) improve its internal reporting capabilities to manage inventory and communication more effectively. Elsewhere, cable company TKH Group announced disappointing results

which it mainly attributed to customer destocking in its vision and smart connectivity systems. We believe that investors overreacted to this news and subsequently added to the position as the company's share price fell. Shares in Dutch bank Van Lanschot Kempen also performed poorly. We largely saw the fall in its share price as an overreaction, due to poor communication between its management and sell-side analysts. We remain holders.

Pump and valve manufacturer KSB was the top positive contributor to Company performance. After its restructuring, the company has seen an expanded order intake and increased sales revenue. Analysts raised their forecast on the stock as a result. The German meal kit business HelloFresh was another positive contributor as some hedge funds were forced to cover short positions. HelloFresh's operating efficiency has improved its gross margins, despite rising ingredient costs, while its new ready-to-eat area (Factor) has been generating investor optimism. IONOS, Verallia and IVECO were also positive contributors as they each benefited from investor optimism over increased sales in their respective businesses. These three companies (web hosting, glass manufacturing and transport manufacturing) have been seeing tailwinds surrounding improved business processes and increased productivity with their use of

artificial or augmented intelligence. We think this technology will continue to have an impact as these companies build improved services and inventories that will ultimately benefit their customers.

In terms of activity, we initiated a new position in Merlin Properties, a Spanish real estate company, as Spanish inflation has come down relative to other Western European economies. We think this is beneficial to the country's office sector, which we think could see a reduction in vacancy rates. The company is also in the process of building out its data centres, which we think should see an income contribution to its portfolios beginning next year. Disposals included Belgian screen manufacturer Barco, which we sold due to declining demand across its divisions and concerns within its enterprise division including ClickShare (its agnostic video platform which has seen margin headwinds). We also sold the position in Danish homebuilder HusCompagniet.

Manager outlook

We understand the general concerns facing small cap stocks, including liquidity issues and access to capital, as the economy slows down. We believe these problems are mostly short-term in nature and we are cautiously optimistic, especially looking at valuation levels and the risk versus reward that history might imply. We also think inflation will remain stubbornly high and that many analysts are yet to adjust their low discount rates to

account for this, in our view overstating growth rates at certain companies. If our hypothesis of a soft landing does play out, we do not think labour markets will see wholesale changes to their current cooling from record tight conditions. We think European small- and mid-cap stocks are well positioned for any return to economic growth as these core problems fade and the market begins to ask what the recovery might look like.

Glossary

Discount/Premium

The amount by which the price per share of an investment company is either lower (at a discount) or higher (at a premium) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

Gearing

The effect of borrowing money for investment purposes (financial gearing). The amount a company can "gear" is the amount it can borrow in order to invest. Gearing is used in the expectation that the returns on the investments bought will exceed the costs of the borrowings that funded the purchase. This Company can also use synthetic gearing through derivatives and foreign exchange hedging and/or other non-fully funded instruments or techniques.

Leverage

The Company's leverage is the sum of financial gearing and synthetic gearing. Details of the Company's leverage limits can be found in both the Key Information Document and Annual Report. Where a company utilises leverage, the profits and losses incurred by the company can be greater than those of a company that does not use leverage.

Market capitalisation

Share price multiplied by the number of shares in issue, excluding treasury shares, at month end. Shares typically priced mid-market at month-end closing.

Net Asset Value (NAV)

The total value of a Company's assets less its liabilities.

NAV (Cum Income)

The value of investments and cash, including current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

NAV (Ex Income)

The value of investments and cash, excluding current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

NAV total return

The theoretical total return on shareholders' funds per share reflecting the change in Net Asset Value (NAV) assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

Net assets

Total assets minus any liabilities such as bank loans or creditors.

Net cash

A company's net exposure to cash/cash equivalents expressed as a percentage of shareholders' funds, after any offset against its gearing. This is only shown for companies that have gearing in place.

Net gearing

A company's total assets (less cash/cash equivalents) divided by shareholders' funds expressed as a percentage.

Ongoing charges

The total expenses for the financial year (excluding performance fee), divided by the average daily net assets, multiplied by 100.

Risk rating

The key measure used to assess risk is volatility of returns, using historic net asset value (NAV) performance of the Company over 1 and 3 years. In this instance volatility measures how much a company's NAV fluctuates over time in relation to the UK Equity market. The higher a volatility figure, the more the NAV has fluctuated (both up and down) over time. Please note that risk categorisations are indicative and based principally on historic data and should not be solely relied upon when making investment decisions.

Share price

Closing mid-market share price at month end.

Share price total return

The theoretical total return to the investor assuming that all dividends received were reinvested in the shares of the company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

Total assets

Cum Income NAV multiplied by the number of shares, plus prior charges at fair value.

Yield

Calculated by dividing the current financial year's dividends per share (this will include prospective dividends) by the current price per share, then multiplying by 100 to arrive at a percentage figure.

For a full list of terms please visit:

<https://www.janushenderson.com/en-gb/investor/glossary/>

Source for fund ratings/awards

Overall Morningstar Rating™ is a measure of a fund's risk-adjusted return, relative to similar funds. Fund share classes are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving a single star.

Overall Morningstar Rating™ is shown for an investment company achieving a rating of 4 or 5.

Ratings should not be taken as a recommendation. For more detailed information about Morningstar Ratings, including its methodology, please go to www.global.morningstar.com/managerdisclosures.

Company specific risks

- This Company is suitable to be used as one component of several within a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested in this Company.
- Active management techniques that have worked well in normal market conditions could prove ineffective or negative for performance at other times.
- The Company could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the Company.
- Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
- The return on your investment is directly related to the prevailing market price of the Company's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the Company. As a result, losses (or gains) may be higher or lower than those of the Company's assets.
- If a Company's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio that is diversified across more countries.
- Most of the investments in this portfolio are in smaller companies shares. They may be more difficult to buy and sell, and their share prices may fluctuate more than those of larger companies.
- Using derivatives exposes the Company to risks different from - and potentially greater than - the risks associated with investing directly in securities. It may therefore result in additional loss, which could be significantly greater than the cost of the derivative.
- Where the Company invests in assets that are denominated in currencies other than the base currency, the currency exchange rate movements may cause the value of investments to fall as well as rise.
- If the Company seeks to minimise risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or negative for performance.
- The Company may use gearing (borrowing to invest) as part of its investment strategy. If the Company utilises its ability to gear, the profits and losses incurred by the Company can be greater than those of a Company that does not use gearing.

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